

**MINUTES OF THE  
REGULAR MEETING OF THE BOARD OF  
COMMISSIONERS OF COAL CREEK UTILITY DISTRICT  
OF KING COUNTY, WASHINGTON**

**Held on September 27, 2023**

A regular meeting of the Board of Commissioners of Coal Creek Utility District was held in-person and by remote means at the District Office, 6801 – 132<sup>nd</sup> Place SE, Newcastle, Washington, on September 27, 2023. Commissioner Doug Kunkel, Board President, attended by Zoom, and called the meeting to order at 2:00 p.m. Commissioner Pamela Martin, Board Vice President, attended by telephone. Commission Suzi O’Byrne, Board Secretary, attended in person. District staff Robert Russell, General Manager, Patrick Martin, Operations Manager, and Jamie Crookston, Finance Manager, and Rosemary Larson, legal counsel, attended in person.

The District provided the public with ability to attend the meeting by Zoom or conference call, and provided notice of the call-in and remote access information to the public and a speaker in the meeting room which allowed all persons attending to hear each other at the same time.

**APPROVAL OF AGENDA**

Commissioner O’Byrne made a motion to approve the agenda. Commissioner Kunkel seconded the motion, which passed unanimously.

**CONSENT AGENDA**

Approval of Minutes -- Regular Meeting of September 13, 2023

Commissioner Martin made a motion to approve the consent agenda. Commissioner O’Byrne seconded the motion, which passed unanimously.

**APPROVAL OF VOUCHERS**

Commissioner O’Byrne made a motion to approve the following Vouchers. Commissioner Kunkel seconded the motion, which passed unanimously:

**Water/Sewer Maintenance Fund – Accounts Payable - Voucher No. 4939 in the amount of \$44,952.32.**

**Water/Sewer Maintenance Fund – Accounts Payable - Voucher Nos. 4940 to 4958 in the amount of \$39,196.82.**

**Water/Sewer Maintenance Fund – Accounts Payable - Voucher Nos. 4959 to 4976 in the amount of \$44,716.98.**

**Water/Sewer Maintenance Fund – Payroll in the amount of \$21,650.00.**

**Water/Sewer Maintenance Fund – EFT in the amount of \$80,085.70.**

**Water/Sewer Maintenance Fund – EFT in the amount of \$27,067.47.**

### **CITIZENS' COMMENTS AND CONCERNS**

There were no citizens in attendance.

### **KDH – IT CONSULTING AGREEMENT**

Mr. Russell informed the Commissioners that this agreement was discussed at the June 14, 2023 Board meeting. After that discussion, District staff provided the District's form consulting services agreement to KDH. KDH requested certain edits to the agreement, which the parties negotiated. The Agreement in the agenda packet is the result of these negotiations. District staff now recommend that the Agreement be approved. In response to Commissioner Kunkel's question, Ms. Larson confirmed that she reviewed the Agreement and assisted staff with the negotiations.

After discussion, Commissioner O'Byrne made a motion to approve the Agreement for Consulting Services with KDH Consulting, Inc., and to authorize the General Manager to sign the same. Commissioner Martin seconded the motion, which passed unanimously.

**FCS GROUP – PROPOSAL FOR GFC/LFC CONNECTION CHARGE UPDATE AND ANNUAL FISCAL HEALTH UPDATE**

Mr. Russell reported that he discussed including a review of the District’s general and local facilities charges in the annual fiscal health and rate review with FCS Group. Based on FCS Group’s comments, Mr. Russell concluded that it would be more cost effective to perform the GFC/LFC review in connection with the Comprehensive Plan update next year. Accordingly, FCS Group provided a proposal for just the annual fiscal health review. Originally, the proposed fee was higher than last year’s fee, because the person performing the District’s review is now a principal in the firm, and also rates have increased since last year. However, in response to Mr. Russell’s comments, FCS eliminated certain work items and now proposes a lesser amount, being \$7530.

Mr. Russell also stated that he recommends that the Board consider having the fiscal review performed bi-annually in the future. The goal is to ensure that the District never needs to have a large percentage rate increase in any one year. The District still has significant development occurring within its boundaries, which enables the District to remain financially stable.

Commissioner Kunkel stated that he is comfortable with the lower fee amount, and with considering conducting the fiscal health review every two years.

After discussion, the Commissioners’ consensus was to proceed with FCS Group’s lower fee proposal. Mr. Russell indicated that he will bring a final FCS Group proposal to the Board for approval at the next meeting.

**ATTORNEY’S COMMENTS**

Ms. Larson informed all present that she will not be at the October 11, 2023 meeting, but another attorney from Inslee Best will attend.

**ENGINEER'S COMMENTS**

Mr. Reynolds was not present.

**MANAGERS' COMMENTS**

Ms. Crookston reported that the District's audit has been moved to November.

Ms. Crookston also reported that the District will be obtaining bids for the office building carpet replacement project. Ms. Crookston and the Commissioners discussed whether the ground floor carpet should be replaced. After discussion, the Commissioners' consensus was that staff should make this decision.

Ms. Crookston informed the Commissioners that a customer is requesting a water leak credit in the amount of \$458.94. Information regarding the customer's request and supporting documentation is in the agenda packet. The customer qualifies for the credit, except that this is a third request. However, the customer states that he has lived in the District for over 30 years, and if he is limited to two requests he is penalized for his longevity in the District. His past credits were in 2006 and 2014.

The Commissioners and District staff discussed their general support for granting this request, and for reviewing and revising the District's leak credit policy to account for similarly situated customers. Ms. Larson provided examples of other water district leak adjustment policies, which allow a second or multiple leak credit after a period of time expires after a first credit. Mr. Martin agreed with Mr. Russell that a credit should be allowed when the customer replaces the entire service line. Commissioner O'Byrne spoke in favor of revising the policy, so long as the revised policy requires the customer to provide proof of the leak and that it was repaired.

After discussion, Commissioner O'Byrne made a motion to grant the requested leak credit in the amount of \$458.94, and to direct staff to work with the District's attorney to draft a revised

leak adjustment policy consistent with the grant of this request, for the Board's consideration at a future meeting. Commissioner Martin seconded the motion, which passed unanimously.

Mr. Martin reported that the Roof/HVAC Project has begun. In the course of the Project, District staff determined that certain related work was not included in the bid documents. Staff will present a change order for the additional work items for the Commissioners' consideration at an upcoming meeting.

Mr. Russell had no additional comments.

### **COMMISSIONERS' COMMENTS**

Commissioner O'Byrne commented that she attended the WASWD Conference last week, which was excellent.

Commissioner Martin had no additional comments.

Commissioner Kunkel commented that he received the Washington Water Utilities Council's comments on the Proposed Revisions to Municipal Water Policy 2030. He inquired as to whether the District would be providing its own comments on the topic or if there was anything in the proposed revisions that would potentially adversely affect the District. Mr. Russell stated that the District does not typically comment on these types of issues.

Mr. Russell commented that in connection with the Decant Facility Project, State agencies determined that because the project is within a few feet of a Tacoma Smelter line, the District is required to test for arsenic levels at the site.

### **OTHER DISTRICT BUSINESS**

None.

### **ADJOURNMENT**

As there was no further business or persons to be heard, the meeting concluded at 2:38 p.m.

BOARD OF COMMISSIONERS

*Douglas Kunkel*

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Douglas Kunkel, Commissioner

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Pam Martin, Commissioner

*Suzi O'Byrne*

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Suzi O'Byrne, Commissioner